

News

U.S. Department of Labor
Bureau of Labor Statistics
PO Box 193766
San Francisco, CA 94119-3766



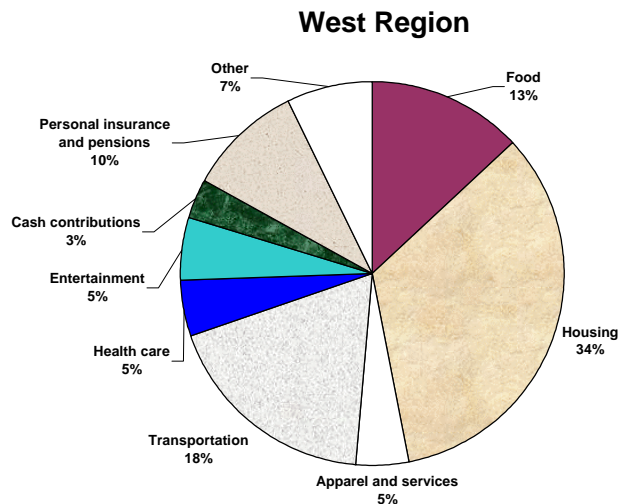
CONTACT:

Stanley P. Stephenson (415) 975-4373
Nancy A. Treadwell (415) 975-4403
Internet address: <http://stats.bls.gov/ro9news.htm>
Fax-On-Demand (415) 975-4567 -- Code 9710

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CONSUMER EXPENDITURES IN THE WEST, 1998-1999

Consumer units¹ in the West² spent an average of \$40,647 annually in 1998-99, more than 12 percent above the national average leading all other regions, according to the latest results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Westerners spent nearly two-thirds of their dollars on housing, food, and transportation-- about the same proportion as in the other three regions of the country, according to Stanley P. Stephenson, regional commissioner in San Francisco. A typical household in the West reported income of \$45,736 before taxes, and was comprised of 2.6 persons and 1.4 wage earners. (See table 1.)



¹ See Technical Note at the end of this release for definition of consumer unit. For convenience, the term consumer unit is used interchangeably with the term household.

² The West region is comprised of 13 states. A listing of states included in each of the four regions of the country is contained in the Technical Note.

Expenditure shares in the West

Housing, the largest component of a household's expenditures, accounted for 33.8 percent of the budget in the West in 1998-99. Just over 60 percent of all spending on housing reflected expenditures for shelter, including expenses associated with the owning, renting, and maintaining housing. Fifty-nine percent of all consumer units in the West were homeowners, the smallest proportion among the four regions. Outlays for utilities, fuels and public services accounted for 15.9 percent of all housing expenditures.

Transportation was the second largest component of total spending in the West, accounting for 18.3 percent of household expenditures in 1998-99. Nearly 43 percent of every transportation dollar was spent on purchasing a vehicle. Expenditures on other categories associated with owning and operating a vehicle, such as gasoline and motor oil, repairs, insurance, and licensing charges, made up most of the remaining cost. Public transit accounted for just over 7 percent of a household's transportation expenditures in the West.

Among other expenditure categories, spending on food accounted for 13.1 percent of a household's budget; almost three-fifths of this cost went towards food purchased for consumption at home. Payments for life and other personal insurance (except health) and contributions to pension plans and Social Security made up 9.8 percent of total spending, with the latter accounting for over nine tenths of the cost. Out of pocket spending on health care represented 4.6 percent of all expenditures; almost half of every health care dollar went for insurance. Apparel accounted for 4.6 percent of a household's total expenditures. A typical household in the West spent 5.3 percent of its budget for entertainment, nearly three-fifths of which went for fees and admissions, and to purchases of radios, televisions and sound equipment.

Expenditures across regions

Average annual expenditures for households in the four regions of the country varied widely in 1998-99 ranging from \$33,135 in the South to \$40,647 in the West. The share of total expenditures within each of the major categories varied as well, though two, housing and transportation, accounted for more than half of all spending in each region. Households in the South and Midwest spent a smaller share of total expenditures on housing (31.1 and 31.7 percent, respectively) than did their counterparts in the West and Northeast (33.8 and 34.9 percent, respectively). In addition, Midwesterners and Southerners were more likely to own their own home (69 and 67 percent, respectively) than were those in the Northeast and West (62 and 59 percent, respectively).

Transportation expenditures accounted for a larger share of total household spending in the South than in the other regions. Southerners allocated 20.3 percent of all household expenditures for transportation costs compared to 18.7 percent in the Midwest, 18.3 percent in the West, and 17.1 percent in the Northeast. The distribution of transportation costs also varied by region with those in the Northeast spending the highest share on public transportation (and averaging the lowest number of vehicles per household at 1.7). Conversely, consumers in the South spent a larger percentage of their budget on both vehicle purchases and motor fuels than did those households in other regions of the country, while those in the Northeast had the smallest share.

Among the other major expenditure categories, there was generally little variation on a regional basis. For example, differences between the four regions' expenditure shares for food was less than 1 percentage point, varying from 13.1 percent in the West to 14.0 percent in the Northeast. However, in

general, Southern and Midwestern consumer units' spending patterns were more similar, while households in the Northeast and West were closer in their expenditure choices. Illustrative of this pairing, health care costs for households in the Northeast and West accounted for a slightly smaller share (4.7 and 4.6 percent, respectively) of the budget than it did for those in the South and Midwest (5.9 and 5.8 percent, respectively).

Additional Data Available

National data are available in Consumer Expenditures in 1999 (USDL-00-369), released December 21, 2000. Detailed tables are available online at <http://www.bls.gov/csxhome.htm>. Further information or assistance can be obtained by contacting the San Francisco Information Office at 415-975-4350 between 9:00-11:30 a.m. and 1:30-4:00 p.m. pacific time.

Technical Note

The current Consumer Expenditure Survey (CEX) program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in wide varieties of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components, a Diary or recordkeeping survey, and an Interview survey. The Diary survey, completed by participating consumer units for two consecutive 1-week periods, collects data on frequently purchased, smaller items. The Interview survey, in which the expenditures of consumer units are obtained in five interviews conducted every 3 months, collects data for larger-cost items and expenditures that occur on a regular basis. The U.S. Bureau of the Census collects the survey data.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas across the four regions of the country.

The integrated data from the BLS Diary and Interview surveys provide a complete accounting of consumer expenditures and income, which neither survey component alone is designed to do. Due to changes in the survey sample frame, area data in this release are not directly comparable to those prior to 1996-97.

The expenditure data in this release should be interpreted with care. The expenditures are averages for consumer units with the specified characteristics, regardless of whether or not a specific unit incurred an expense for that specific item during the recording period. The average expenditure may be considerably lower than the expenditure by those consumer units that purchased the item. This study is not intended as a comparative cost of living survey as neither the quantity nor the quality of goods and services has been held constant among the areas. Expenditure levels vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. However, a comparison of expenditure shares (or the percentage of a consumer unit's budget spent on a particular item) is acceptable. Lastly, users should keep in mind that prices for many goods and services have risen since the survey was conducted.

In addition, sample surveys are subject to two types of errors. Sampling errors occur because the data are collected from a representative sample rather than the entire population. Nonsampling errors result from the inability or unwillingness of respondents to provide correct information, differences in interviewer ability, mistakes in recording or coding, or other processing errors. The year-to-year changes are volatile and should be interpreted carefully.

Some expenditure components are subject to large fluctuations from one year to the next because these components include expensive items that relatively few consumers purchase each year. Thus, shifts from year to year in the number of consumers making such purchases can have a large effect on average expenditures. Examples of these types of expenses are purchases of new cars and trucks in the transportation component, and spending on boats and recreational vehicles in the entertainment component.

The Consumer Expenditure Survey presents data for the four regions of the country-- Northeast, South, Midwest, and West--as defined by the U. S. Bureau of the Census. The states comprising these regions are listed below.

The Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, and Vermont.

The Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The South: Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the District of Columbia.

The West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Definitions

Consumer unit - a single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter - in general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self-employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Expenditures - consist of the transaction costs, including excise and sales taxes, of goods and services acquired during the interview or recordkeeping period. Expenditure estimates include expenditures for gifts, but exclude purchases or portions of purchases directly assignable to business purposes. Also excluded are periodic credit or installment payments on goods or services already

acquired. The full cost of each purchase is recorded even though full payment may not have been made at the date of purchase.

Income before taxes - the total money earnings and selected money receipts during the 12 months prior to the interview date.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. average and region of residence, Consumer Expenditure Survey, 1998-99

Item	United States Average	Northeast	Midwest	South	West
Consumer unit characteristics:					
Income before taxes ^{1/}	\$42,770	\$46,809	\$41,447	\$39,371	\$45,736
Age of reference person	47.8	49.0	48.2	47.6	46.5
Average number in consumer unit:					
Persons	2.5	2.5	2.5	2.5	2.6
Children under 18	0.7	0.6	0.7	0.7	0.7
Persons 65 and over	0.3	0.3	0.3	0.3	0.3
Earners	1.3	1.3	1.4	1.3	1.4
Vehicles	1.9	1.7	2.1	1.9	2.0
Percent homeowner	65	62	69	67	59
Average annual expenditures	\$36,251	\$37,950	\$35,352	\$33,135	\$40,647
Total (percent)	100.0	100.0	100.0	100.0	100.0
Food	13.6	14.0	13.6	13.7	13.1
Alcoholic beverages	0.9	1.0	0.9	0.8	0.9
Housing	32.7	34.9	31.7	31.1	33.8
Apparel & services	4.7	4.8	4.5	4.9	4.6
Transportation	18.8	17.1	18.7	20.3	18.3
Health care	5.3	4.7	5.8	5.9	4.6
Entertainment	5.1	4.8	5.6	4.8	5.3
Personal care products & services	1.1	1.1	1.1	1.2	1.1
Reading	0.4	0.5	0.5	0.4	0.4
Education	1.7	2.3	1.6	1.3	1.7
Tobacco products & smoking supplies	0.8	0.8	0.9	0.9	0.5
Miscellaneous	2.4	2.3	2.4	2.3	2.6
Cash contributions	3.2	2.6	3.2	3.4	3.3
Personal insurance & pensions	9.4	9.1	9.5	9.2	9.8

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Average annual expenditures, U.S. average and region of residence, Consumer Expenditure Survey, 1998-99

Item	United States Average	Northeast	Midwest	South	West
Average annual expenditures	\$36,251	\$37,950	\$35,352	\$33,135	\$40,647
Food	4,921	5,314	4,802	4,533	5,312
Food at home	2,848	3,001	2,733	2,660	3,132
Food away from home	2,073	2,313	2,069	1,873	2,180
Alcoholic beverages	313	368	304	253	372
Housing	11,843	13,229	11,195	10,303	13,756
Shelter	6,849	8,150	6,269	5,467	8,515
Utilities, fuels & services	2,391	2,457	2,401	2,482	2,179
Household operations	606	581	542	553	781
Housekeeping supplies	490	474	508	473	513
Household furnishings and equipment	1,506	1,567	1,475	1,328	1,768
Apparel & services	1,708	1,831	1,607	1,610	1,863
Transportation	6,815	6,503	6,617	6,738	7,423
Vehicle purchase (net outlay)	3,136	2,761	3,081	3,354	3,180
Gasoline & motor oil	1,036	901	1,036	1,052	1,129
Other vehicle expenses	2,230	2,266	2,159	2,033	2,585
Public Transportation	413	575	341	298	530
Health care	1,931	1,788	2,048	1,971	1,869
Entertainment	1,844	1,821	1,984	1,574	2,139
Personal care products & services	405	399	385	393	449
Reading	160	198	168	121	181
Education	607	877	583	431	676
Tobacco products & smoking supplies	287	309	331	288	217
Miscellaneous	864	857	855	750	1,058
Cash contributions	1,145	994	1,120	1,122	1,342
Personal insurance & pensions	3,409	3,461	3,355	3,048	3,990
Life & other personal insurance	396	424	387	414	355
Pensions & Social Security	3,012	3,037	2,968	2,635	3,636

Table 3. Distribution of expenditures, U.S. average, West region 1/, and West region metropolitan statistical areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	West	Honolulu	Los Angeles	San Francisco	San Diego	Portland	Seattle	Anchorage	Phoenix	Denver
Average annual expenditures.....	\$36,251	\$40,647	\$42,474	\$43,192	\$51,015	\$44,179	\$43,331	\$44,065	\$50,955	\$40,167	\$44,413
Percent distribution:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food.....	13.6	13.1	14.8	12.0	13.6	12.0	13.5	13.8	12.3	12.4	11.6
Alcoholic beverages.....	0.9	0.9	1.0	0.7	1.0	1.0	1.0	1.2	1.0	1.1	1.1
Housing.....	32.7	33.8	34.6	36.9	35.4	36.8	32.0	33.8	34.1	32.1	34.7
Apparel and services.....	4.7	4.6	4.7	5.0	4.8	4.6	3.9	4.4	3.8	5.1	4.4
Transportation.....	18.8	18.3	12.6	17.5	16.0	19.4	18.7	17.4	18.2	20.4	18.5
Health care.....	5.3	4.6	5.2	4.1	3.5	4.2	4.2	4.4	4.6	5.0	4.3
Entertainment.....	5.1	5.3	4.9	4.4	4.7	6.1	5.3	6.9	7.0	5.1	5.8
Personal care products and services.....	1.1	1.1	1.5	1.1	1.1	1.2	1.0	1.2	1.0	1.1	0.9
Reading.....	0.4	0.4	0.5	0.3	0.5	0.4	0.5	0.6	0.6	0.5	0.5
Education.....	1.7	1.7	2.7	1.5	1.7	0.9	1.7	1.4	1.1	1.3	1.4
Tobacco products and smoking supplies.....	0.8	0.5	0.5	0.4	0.4	0.4	0.6	0.7	0.8	0.6	0.6
Miscellaneous.....	2.4	2.6	2.3	3.0	2.2	1.9	1.9	2.5	2.9	2.4	3.0
Cash contributions.....	3.2	3.3	3.3	3.1	4.0	1.9	4.7	2.0	2.4	3.8	2.2
Personal insurance and pensions.....	9.4	9.8	11.5	9.9	11.0	9.2	11.1	9.8	10.1	9.0	10.8

1/ West region includes: Anchorage, Denver, Honolulu, Los Angeles, Phoenix, Portland, San Diego, San Francisco, and Seattle.

Table 4. Average annual expenditures and characteristics of all consumer units, U.S. average, West region 1/, and West region metropolitan statistical areas, Consumer Expenditure Survey, 1998-99 (Continued)

Item	United States Average	West	Honolulu	Los Angeles	San Francisco	San Diego	Portland	Seattle	Anchorage	Phoenix	Denver
Income before taxes 2/.....	\$42,770	\$45,736	\$53,537	\$51,552	\$59,224	\$49,988	\$47,414	\$52,304	\$59,391	\$44,090	\$52,948
Age of reference person.....	47.8	46.5	51.9	47.0	47.3	49.0	47.2	48.1	42.5	46.1	44.7
Earners.....	1.3	1.4	1.5	1.4	1.4	1.2	1.4	1.4	1.5	1.3	1.5
Vehicles.....	1.9	2.0	1.7	1.9	1.9	2.0	2.2	2.5	2.6	1.8	2.2
Homeowner.....	65.0	59.0	57.0	53.0	59.0	53.0	59.0	66.0	58.0	60.0	67.0
Average annual expenditures.....	\$36,251	\$40,647	\$42,474	\$43,192	\$51,015	\$44,179	\$43,331	\$44,065	\$50,955	\$40,167	\$44,413
Food.....	4,921	5,312	6,300	5,204	6,963	5,292	5,855	6,080	6,267	4,981	5,172
Food at home.....	2,848	3,132	3,423	3,013	4,214	2,849	3,557	3,486	3,922	2,670	2,793
Cereals and bakery products.....	437	466	501	435	660	444	539	545	524	371	432
Meats, poultry, fish, and eggs.....	736	761	935	815	1,047	671	770	805	977	607	593
Dairy products.....	312	341	298	319	409	304	397	362	408	334	318
Fruits and vegetables.....	486	562	690	563	794	530	670	641	699	454	439
Other food at home.....	877	1,001	999	881	1,304	901	1,182	1,133	1,313	904	1,012
Food away from home.....	2,073	2,180	2,877	2,192	2,749	2,443	2,298	2,594	2,345	2,311	2,378
Alcoholic beverages.....	313	372	406	297	516	462	430	541	508	437	490
Housing.....	11,843	13,756	14,676	15,934	18,058	16,266	13,847	14,905	17,375	12,891	15,417
Shelter.....	6,849	8,515	10,079	10,087	11,885	10,457	8,708	9,393	10,531	7,723	9,728
Owned dwellings.....	4,386	5,230	6,156	5,804	7,376	6,101	5,568	6,166	6,169	4,689	6,120
Rented dwellings.....	2,002	2,709	3,403	3,671	3,818	3,756	2,601	2,461	3,367	2,538	2,296
Other lodging.....	461	575	520	612	691	600	539	766	995	496	1,312
Utilities, fuels, and public services.....	2,391	2,179	2,032	2,267	2,193	1,977	2,160	2,262	2,614	2,459	2,200
Household operations.....	606	781	514	1,256	1,128	989	675	666	958	669	860
Housekeeping supplies.....	490	513	554	469	620	514	506	693	700	479	482
Household furnishings and equipment.....	1,506	1,768	1,497	1,856	2,232	2,327	1,799	1,890	2,573	1,562	2,147
Apparel and services.....	1,708	1,863	1,995	2,158	2,444	2,018	1,687	1,932	1,957	2,057	1,958
Transportation.....	6,815	7,423	5,354	7,551	8,186	8,550	8,117	7,650	9,284	8,212	8,233
Vehicle purchases (net outlay).....	3,136	3,180	999	2,976	3,164	3,988	4,123	2,867	3,812	4,035	3,116
Gasoline and motor oil.....	1,036	1,129	1,060	1,157	1,232	1,177	1,103	1,216	1,300	1,016	1,107
Other vehicle expenses.....	2,230	2,585	2,262	2,860	2,954	2,748	2,373	2,843	3,191	2,697	3,380
Public transportation.....	413	530	1,033	558	836	637	519	725	981	464	631
Health care.....	1,931	1,869	2,188	1,757	1,792	1,850	1,837	1,931	2,324	2,007	1,915

See footnotes at end of table.

Table 4. Average annual expenditures and characteristics of all consumer units, U.S. average, West region 1/, and West region metropolitan statistical areas, Consumer Expenditure Survey, 1998-99 (Continued)

Item	United States Average	West	Honolulu	Los Angeles	San Francisco	San Diego	Portland	Seattle	Anchorage	Phoenix	Denver
Entertainment.....	\$1,844	\$2,139	\$2,083	\$1,905	\$2,395	\$2,684	\$2,283	\$3,060	\$3,562	\$2,036	\$2,570
Personal care products and services.....	405	449	638	472	558	544	424	522	524	455	419
Reading.....	160	181	193	144	257	191	198	256	312	182	234
Education.....	607	676	1,147	668	875	398	728	618	576	535	632
Tobacco products and smoking supplies.....	287	217	217	177	192	166	256	311	419	251	288
Miscellaneous.....	864	1,058	978	1,305	1,136	847	826	1,087	1,480	958	1,325
Cash contributions.....	1,145	1,342	1,410	1,352	2,056	842	2,036	873	1,225	1,538	969
Personal insurance and pensions.....	3,409	3,990	4,890	4,269	5,587	4,070	4,807	4,299	5,141	3,627	4,791

1/ West region includes: Anchorage, Denver, Honolulu, Los Angeles, Phoenix, Portland, San Diego, San Francisco, and Seattle.

2/ Components of income and taxes are derived from "complete income reporters" only.